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CURRENT INTELLIGENCE DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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*Army, USAF and State Dept
reviews completed*

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EASTERN EUROPE

1. Bulgaria to try Catholic "spies": Minister of Interior Tsankov has announced that a "large group" of representatives of the Catholic clergy from all parts of Bulgaria will soon be tried on charges of espionage. The Catholic priests are said to have arranged meetings with representatives of foreign countries in various churches and monasteries, received "millions of leva" from foreign agencies, accepted the instructions of the "dark forces of the Vatican," provoked discontent and resistance against the government, and attempted to set up armed units for use in the rear of the Bulgarian Army in the event of war. (R FBIS Sofia, 16 Sept 52)

Comment: Fifteen Protestant pastors were tried on similar charges in 1949 and received sentences varying from one year to life imprisonment. The recent announcement that an all-denomination "peace congress" will be convened in Sofia on 5 October suggests that, even while the leaders of this last remaining western-oriented religious minority are being tried, heavy propaganda lip-service will continue to be paid to the "full religious liberty" allegedly enjoyed by all denominations in Bulgaria.

2. Finland completes war reparations payments to USSR: On 19 September Finland completed its eighth and final year of reparations deliveries to the Soviet Union. Ships, machinery, railroad equipment and wood products constituted the bulk of the deliveries, which reached a total value of 221,400,000 "war reparations dollars" (1938 gold dollar quotation).

In a message commemorating the event, Premier Kekkonen stated the important question now was whether Finland could create export markets in Eastern Europe and the Soviet Union for the products of its machine and shipbuilding industry. (R Helsinki AF IR-120-52, 13 June; U NY Times, 19 Sept 52)

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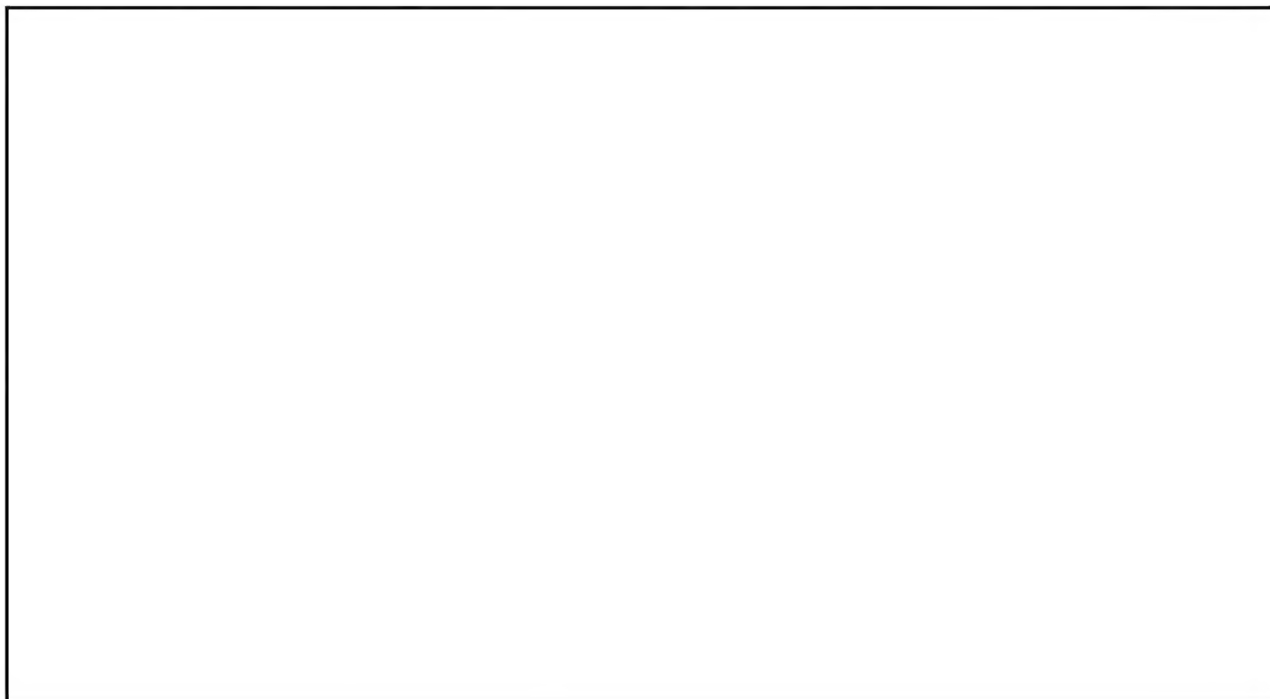
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8. Chinese railroad timetables indicate reduced service in South China: Timetables issued in May 1952 by the Chengchou and Hengyang Railway Bureaus, which operate lines in the Central-South District, differ from previous timetables in that passenger trains 171 and 172 between Wuchang and Hengyang were discontinued. These timetables also show Pinghsiang, 10 miles from the Indochina border, as the terminus of the new railroad through Kwangsi, and Chinchengchiang in Kwangsi as the western terminus of the Kwangsi-Kweichow railroad. [redacted]

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Comment: Some reduction in passenger and freight services in this part of China has probably occurred because of the need for rolling stock by new lines in southern and western China and possibly in Korea. Other evidence of this reduction is contained in the official 1951 economic report for the Canton area, which admitted that 20 percent less freight and 28 percent fewer passengers were carried than in 1950.

The Communists are expected to extend the Hunan-Kwangsi line from Pinghsiang to Chennankuan on the Indochina border, and the Kwangsi-Kweichow line westward into Kweichow from Chinchengchiang. As of May, apparently, these extensions had not been completed.

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SOUTHEAST ASIA

9. Philippine Communists reportedly trying to create false sense of security: The Philippine Communist Party is reported to have ordered Huk units to refrain from raiding and to avoid encounters with government troops. By creating a false sense of security, it hopes to bring about the withdrawal of security forces from crucial areas and to cause reductions in the armed forces budget.

The American Embassy in Manila observes that although the Huks have not been wiped out and are still capable of effective activity, some Philippine officials are beginning to believe their own propaganda claims that the Huk movement has been broken. (C Manila 844, 19 Sept 52)

10. Indonesian press and political circles condemn Juliana's throne speech: References to Netherlands New Guinea in Queen Juliana's throne speech are eliciting bitter comment in the Indonesian press and in political circles. Comments ranged from the view that Juliana had said nothing new to statements urging immediate abrogation of the Netherlands-Indonesian Union, diversion of Indonesian trade and commerce from Holland, and withdrawal of the Netherlands military mission from Indonesia within a year's time. (R Djakarta 532, 17 Sept 52)

Comment: Juliana stated on 16 September that the Netherlands was willing to resume negotiations with Indonesia on the Netherlands-Indonesian Union and "related matters," but failed to mention the possibility of ceding New Guinea to Indonesia. The Queen referred instead to development plans for New Guinea and the Netherlands' responsibility for the area under the UN Charter.

Indonesia and the Netherlands last February discussed New Guinea, the abrogation of the Netherlands-Indonesian Union, and the revision of the Round Table Conference agreements. These discussions were broken off when the Indonesian Cabinet fell and were further postponed because of elections in the Netherlands and the subsequent delay in the formation of the Dutch Cabinet.

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NEAR EAST - AFRICA

11. Communist influence reportedly increasing among Iraqi officials: Communist influence among Iraqi officials is growing steadily and effective propaganda is responsible for increasing Communist strength in the country to an estimated 10,000. [redacted]

[redacted] both the newspapers and courts in Iraq disseminate Communist propaganda and anti-West material under the guise of nationalism. [redacted]

Comment: Iraq outlawed the Communist Party in 1938. In 1947, however, a well-organized covert party was discovered and suppressed. Since that time the government has tried to maintain a close surveillance over possible Communist activities, but the unstable political situation in Iraq and neighboring countries lends itself to Communist exploitation and an underground party has again been organized.

There have been several recent unconfirmed reports of Tudeh-inspired disturbances in the Persian Gulf area and of Soviet agitation among the Kurdish tribes of northern Iraq.

12. Greek Government moves against the Communists: The Greek Government's recent crackdown on the Communists was motivated by its fear that the Communist-dominated EDA would claim the government's pro-left policies as its own and thus take votes away from Prime Minister Plastiras' left-of-center EPEK in the expected elections. [redacted]

Comment: Prime Minister Plastiras' policies have been based on his desire to attract the large leftist element in Greece to EPEK, and the government's actions may have been stimulated by its fear of such a Communist maneuver.

The government is vulnerable to opposition charges of excessive leniency toward the far left and it probably hopes to profit by a display of anti-Communist activity. In addition, leaders of EPEK may believe that the measures will persuade the Communists that they have more to gain by cooperating with EPEK than by campaigning separately.

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WESTERN EUROPE

14. East German Alert Police believed receiving Soviet artillery and tanks: US Army Headquarters in Germany believes that a "substantial proportion" of the approximately 2,200 pieces of Soviet artillery shipped into East Germany during the first eight months of 1952 has been issued to East German Alert Police units. About 30 percent of the total shipments were probably antitank guns, half antiaircraft guns and the remainder mortars and howitzers.

This source also reports that it is "known" that the Alert Police has received, since the middle of last May, "substantial numbers" of Soviet tanks. (S CINCUSAREUR Heidelberg Weeka 37, 15 Sept 52)

Comment: The above estimates of Soviet shipments of heavy weapons into East Germany have not been confirmed.

Although the Alert Police has been extensively equipped with Soviet heavy weapons and recent recruitment has increased its estimated strength from 52,000 to 82,000, the combat effectiveness of the Alert Police will remain low until the recruits have received additional training.

- 25X65. East Germans reportedly organizing medical support for military activities: [redacted]

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[redacted] "senior officials" of the Ministry of Health believe that the "real function" of the East German Red Cross will be the recruiting of medical personnel for the East German Alert Police. [redacted]

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Comment: After reportedly examining statutes of the Soviet Red Cross and Red Crescent Societies, the East German Ministry of Interior on 2 July authorized the formation of a "Preparatory Organization Committee of the German Red Cross." Although the committee is headed by a department chief from the Ministry of Health, the head of the Alert Police Medical Department is one of its members.

There have been several unconfirmed reports in recent months of unusual East German interest in persons with medical training. The East German Government has allegedly attempted to recruit unemployed West German medical technicians, launched a program of special "military-medical" training for selected

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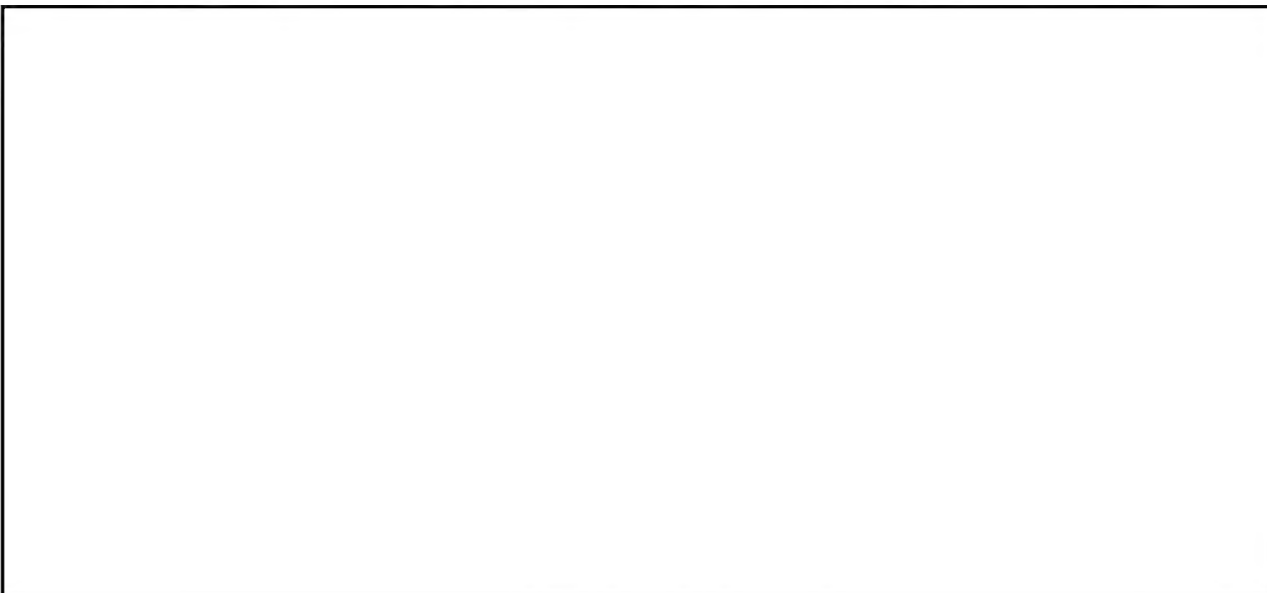
personnel, and initiated a volunteer program for the training of nurses in the Soviet Union.

16. East German judicial reforms allegedly eliminating court independence: Impending judicial reforms in East Germany are likely to include, in the view of American officials in Berlin, a new legal procedural code, a new criminal code, and a thorough reorganization of the courts. These officials believe that the East German Government will thus achieve a greater centralization of control over the administration of justice, purge undesirable judges, and augment the "arsenal" of repression of resistance with the threat of a thoroughly "socialized" justice.

Articles in the East German press indicate that the new court system will consist of county (Kreis) courts, district (Bezirk) courts of both primary and appellate jurisdiction, and a final court of appeal. The lower courts will be composed of both lay and professional judges, and the county courts will be subject to control and direction from the justice departments of each district. Many nonjuridical or semilegal functions will be transferred to state "notaries" or administrative agencies.

The West German press reports that draft proposals covering court organization, a new and severe criminal code, and a court procedural code are already in the hands of the East German Parliament. (Factual data from: C Berlin Desp 146, 14 Aug 52; R FBIS Hamburg, 26 Aug and 12 Sept 52)

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20. Critical period foreseen for French non-Communist labor unions: French non-Communist labor leaders fear that the recent high-level purge of the Communist Party will increase the influence of Benoit Frachon, leader of the General Confederation of Labor, in his drive for non-political trade unionist objectives. Leaders of the Socialist-oriented Force Ouvriere have long feared that such a drive would attract their following and destroy this anti-Communist organization. (S Paris 1703, 18 Sept 52)

Comment: The members who were purged, including Andre Marty and Charles Tillon, had opposed cooperation with non-Communist elements and had handicapped Frachon's efforts by subordinating labor activities to political objectives.

Active labor support for the confederation's campaign for a 15-percent wage increase will be determined by price trends in the next few months.

21. Belgium in general agreement with US views on UN agenda: According to a report of the American Embassy in Brussels, the Belgian Foreign Ministry is in general agreement with United States views regarding the agenda for the forthcoming UN General Assembly.

However, the Belgians want a European rather than a Canadian for Assembly president, and are expected to support France on the Tunisian and Moroccan questions. The Embassy also notes a reluctance to follow the British suggestion for postponement of general debate until midway in the session. (C Brussels 306, 18 Sept 52)

Comment: From incomplete information, the choice of a Canadian for president of the Assembly and the inscription of the Tunisian question appear to be favored by most UN members. The attitudes of member countries on the inscription of the Moroccan question and the timing of the general debate appear to be still at the formative stage.

22. Communists intensify efforts to infiltrate Italian Army: The Italian Communist Party (PCI) is relying to an increasing extent on its Youth Federation (FGCI) for infiltrating and propa-

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gandizing the army, [redacted] FGCI members about to be inducted are instructed to contact as quickly as possible the Communist-dominated Aid Center for Veterans. The recruits are to form cells within their units and to distribute Communist literature among their fellow soldiers. This literature seeks to demonstrate that the army cannot assure Italy's security as long as it is placed at the service of American interests.

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[redacted] 25X1A

Comment: Although there are a sizable number of Communists among the recruits, reports indicate that many are being weaned from Communism by the army's better living standards.

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25X1C Alliance between Christian Democrats and Monarchists in Italy less likely: An alliance between the Monarchists and the Christian Democrats before the 1953 elections is unlikely, [redacted]

[redacted] the move is opposed by Prime Minister de Gasperi and the center and left wings of the Christian Democratic Party. However, such a proposal will continue to be pushed by the Christian Democratic right wing, headed by Catholic Action leader Luigi Gedda.

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25X1 Such an alliance before the elections would lead to a government crisis resulting in the resignation of De Gasperi. Probably with this factor in mind, the Pope is not supporting either group until there is further clarification of political developments.

25X6 Comment: Although the political alignments for the next national elections are not yet clear, it appears thus far that De Gasperi is balancing the divergent forces in his party successfully. An alliance with the Monarchists would cost him the support of the moderate leftist parties, whose electoral strength could not be compensated for by the Monarchists who polled only four percent of the vote in 1951 and 1952.

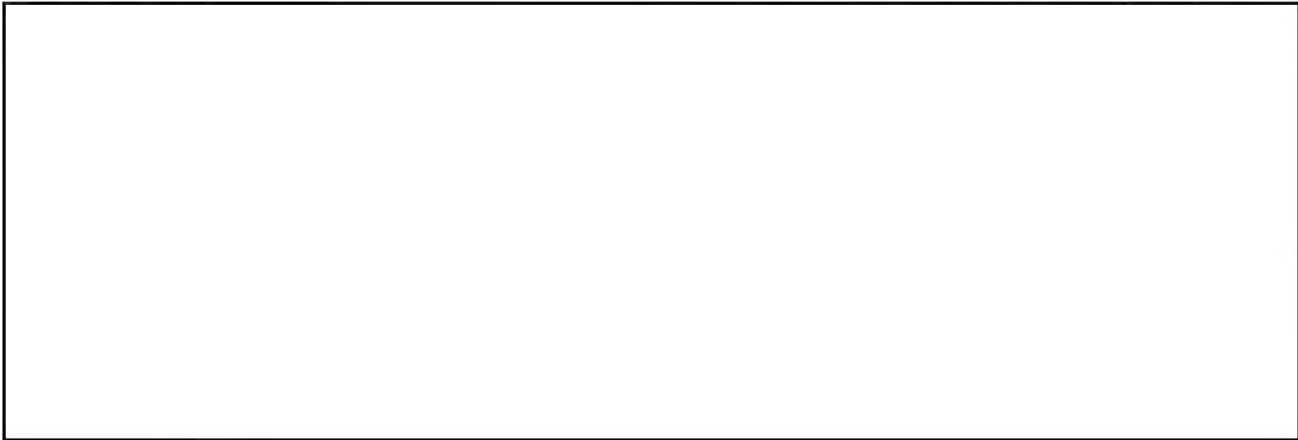
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25. Poles reduce price of coal trade agreement with Norway:
A supplementary agreement between Norway and Poland, scheduled to be signed on 18 September, provides for lower prices on coal imported from Poland. (R FBIS Oslo, 18 Sept 52)

Comment: Denmark and Sweden also recently obtained more favorable coal prices from Poland.

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